

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

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WILDLIFE CONSERVATION BOARD

September 30, 2003

1. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

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Director, Department of Fish and Game

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Assembly Member Patty Berg
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EXECUTIVE DIRECTOR

Al Wright

2. Ballona Wetlands, Los Angeles County

\$140,000,000.00

This proposal is to consider a cooperative project with the State Coastal Conservancy (SCC), the Trust for Public Land (TPL), the Department of Fish and Game (DFG) and the Wildlife Conservation Board (WCB) to acquire approximately 483± acres of private land and property interests in Los Angeles County in order to preserve critical habitat and key open space, including a large portion of what remains of the Ballona Wetlands. The property is located on the western edge of the Los Angeles metropolitan area, in Los Angeles County, just north of Los Angeles International Airport. The subject property is the largest remaining undeveloped and restorable coastal wetland in Los Angeles and consists of three distinct areas identified as Area A (138± acres), B Residential (54± acres) and the Ballona Wetlands Parcel, including the Ballona Creek Channel (291± acres). The total to be conveyed to the State is 483± acres.

As part of the transaction, Playa Capital Company, LLC (Playa), the present owner of the property, would also release its right of first refusal to purchase adjacent property identified as Area C. Playa will release its rights to an easement across Area C if relieved of its obligation to construct a road and bridge to connect Culver Boulevard with Playa Vista Drive. A trust currently holds title to Area C for the benefit of the State and legislation has passed to formally transfer title to the State acting by and through the DFG, WCB.

For the reader's reference, a summary paper which discusses several key points of the project and a site map are attached to this agenda. (See attached Ballona Wetlands Overview and Summaries). In addition, the summary paper, the State's Purchase Agreement and Environmental Site Assessment for this project are available at the following locations:

1. The California Resources Agency, 1416 Ninth Street, Suite 1311, Sacramento, CA 95814 (916) 653-5656
2. Wildlife Conservation Board, 1807 13th Street, Suite 103, Sacramento, CA 95814 (916) 445-8448
3. Los Angeles River Center and Gardens, 570 West Avenue Twenty-six (at San Fernando Road), Los Angeles, CA 90065 (323) 221-9959 Ext. 0
4. Franklin Canyon Park, 2600 Franklin Canyon Drive, Beverly Hills, CA 90210 (310) 858-7272 Ext. 0

Documents and summaries are also available on the Internet at www.resources.ca.gov.

The subject property is a composition of upland scrub, open salt/mud flat, riparian, coastal dune and grasslands providing habitat for a number of special animal species. A few of the species found on site include Lange's El Segundo dune weevil, Dorothy's El Segundo dune weevil, wandering skipper (federal species of concern), silvery legless lizard, Stevens' California vole (federal and State species of concern), California brown pelican (federally and State-listed endangered), California least tern

(federally and State-listed endangered) and Belding's Savannah sparrow (a federal species of concern and State-listed endangered).

Several of the species listed above rely on wetland habitat, which is quickly disappearing. The Ballona Wetlands once consisting of approximately 1,500 acres, has been reduced over time to less than 150 acres. However, several narrow corridors, such as the Ballona Creek Channel connect the subject property with other open areas nearby, including Baldwin Hills to the northeast and a restored dune system at the western end of the Los Angeles International Airport located to the south.

The property will be acquired on behalf of the State and will be under the interim jurisdiction of the DFG. TPL has agreed to pay and provide for management of the property during this interim period (estimated to be approximately five years) which will provide the DFG, SCC and others involved in the transaction, the time needed to complete the planning processes and identify the appropriate entity to manage the property and implement long-term restoration. It is envisioned that restoration will incorporate, as appropriate, Area C, once that property is conveyed to DFG, WCB and an adjacent fresh water marsh recently restored by Playa as a condition of its present development.

Areas A and B Residential have been appraised and the value has been reviewed and approved by the Department of General Services (DGS) at \$140,000,000.00, with concurrence from the WCB. Playa Capital Company, LLC has agreed to sell these areas at \$139,000,000.00, thereby providing a donation to the State. In addition, Playa has agreed to transfer the Ballona Wetlands Parcel and release its rights as described above in Area C to the State at no cost. It is estimated that an additional \$1,000,000.00 will be needed for project expenses, including title and escrow company costs, appraisal and the DGS' review charges, bringing the total allocation needed to complete this project to \$140,000,000.00.

The proposed acquisition project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 13 and 25 categorical exemptions. (California Code of Regulations, Title 14, §15313 and 15325.) Class 13 of categorical exemptions consists of acquisitions of land for wildlife conservation purposes. Class 25 of categorical exemptions consists of transfers of land in order to preserve open space, habitat, or historical resources. Subject to approval by the Board, the appropriate Notice of Exemption will be filed with the State Clearinghouse. CEQA analysis for restoration will be a component of the restoration planning process.

Staff recommends that the Board approve the acquisition of Area A, B Residential and Ballona Wetlands Parcel as proposed; allocate \$140,000,000.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop. 50), Section 79572(b) to cover acquisition and project expenses; authorize acceptance of any and all interests in Area C as appropriate; authorize transfer of the property to the appropriate managing entity as identified at the end of the restoration planning process; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish

and Game to proceed substantially as planned.

3. Ahmanson Ranch, Ventura County \$135,000,000.00

This is a proposal to consider the allocation of a grant to the Santa Monica Mountains Conservancy (SMMC) to assist in the cooperatively funded acquisition of 2,958.76± acres of land for the protection of wildlife habitat and corridors to promote the recovery of rare and sensitive species. Other partners in this project include the State Coastal Conservancy (SCC) and the Mountains Recreation and Conservation Authority (MRCA), a Joint Powers Authority. The property is located on the southern facing slopes of the Simi Hills, at the easternmost edge of Ventura County, just north of Calabasas.

The SMMC is seeking to acquire the property to expand protection of critical habitat within the Simi Hills and maintain habitat corridors with other adjoining mountain ranges and ecosystems. This includes the protection and restoration of sensitive and declining plant communities, protection of the Malibu Creek watershed (a coastal stream) and to provide accessible open space parkland opportunities for the greater Los Angeles metropolitan area.

The Simi Hills run 16± miles east to west, bounded by the 23 Freeway and Thousand Oaks on the west, the San Fernando Valley on the east, the 101 Freeway to the south and the 118 Freeway to the north. The hills are situated in the middle of a series of mountain ranges running east to west in southern California, containing Mediterranean type ecosystems. To the north are the Santa Susana and Big Mountains. These two ranges essentially merge together to form one range of mountains that extends east to west, 20± miles between Moorpark on the west and Santa Clarita on the east. North of this range are larger national forest areas, including the Los Padres National Forest and the Angeles National Forest, located within the San Gabriel Mountains. Running parallel and south of the Simi Hills is the Santa Monica Mountains, coastal mountains that extend east to west, 40± miles between the Oxnard plain on the east and Hollywood on the west, with southerly slopes extending down to the Pacific Ocean coastline.

The location of the Simi Hills provides critical habitat linkage that allows migration of species back and forth between the coastal ranges, up into the larger national forest areas to the north and east. In 1989 the National Park Service commissioned a study that concluded the existing sub-populations of many of the larger mammals in these coastal ranges were too small to be self-sustaining. The linkages provided by the Simi Hills allow for the migration and replenishment of mammals between the different ranges. Without these linkages, the species, especially in the Santa Monica Range, could become isolated and suffer detrimental effects in terms of health and numbers. Adding to this potential impact

is the fact that most of the areas separating the Simi Hills from the other two ranges are already developed and separated by major roads and freeway improvements.

As part of this acquisition the SMMC also will obtain rights to an open space easement encumbering Crummer Canyon that abuts the southeast corner of Ahmanson Ranch and extends approximately one mile south to the 101 Freeway. Crummer Canyon is one of the only two existing protected habitat corridors remaining between the Simi Hills and the Santa Monica Mountains. Eventually a habitat underpass (tunnel) will need to be constructed under the 101 Freeway in order to link up with the Las Virgenes View park open space, located on the south side of the freeway. From here the open space connects with the Malibu Creek State Park and the Malibu Creek watershed, a protected wildlife corridor that extends out to the Pacific Ocean.

Other public held open space within the Simi Hills includes the Santa Susana Pass Historical Park; the 625 acre Sage Ranch; the 2,566 acre Las Virgenes Canyon open space abutting the eastern boundary of the Ahmanson Ranch; the 300 acre Liberty Canyon North Open Space, that also provides the only other protected corridor link between the Simi Hills and the Santa Monica Mountains; the 1,792 acre Cheeseboro Canyon located west of the Las Virgenes Canyon; and the 2,308 acre Palo Comado Canyon National Park. Located in the western portions of the Simi Hills are a combination of county and MRCA open space areas managed by the Conejo Open Space Conservation Agency, encompassing approximately 15,000 acres.

In addition to protecting critical linkages, Ahmanson Ranch will also expand core habitat areas within the Simi Hills. By abutting and linking with the Las Virgenes Canyon open space, the majority of the Las Virgenes Creek watershed, a major tributary of Malibu Creek, will be protected.

The topography of Ahmanson Ranch ranges from the relatively flat Laskey Mesa, to gentle slopes and rolling hills, to the rugged rock lands at the northern boundary of the property. East Las Virgenes Creek flows east to west through the center of the property connecting to the main fork of the Las Virgenes Creek that makes up the western border of the property.

For most of its history the property has been used as ranch. As a result, there is still an abundance of native habitat and wildlife found on the property. Habitat types include valley oak savannah, coastal sage scrub, chaparral, riparian woodland, California walnut woodland, southern willow riparian vegetation and native bunch grasses and grasslands. Wildlife includes a high level of both common and rare species. Listed species of note include the red-legged frog, San Fernando spineflower and the southwestern willow flycatcher. The population of red-legged frogs found on the property is thought to be one of the last remaining viable populations of the federally listed red-legged frog in Southern California; the extremely rare San Fernando Valley spineflower, discovered in 1999 by consultants on the ranch was thought to be extinct at one time and was last observed in the area in 1929; and the southwestern willow flycatcher observed on the property, is both a State and federally listed bird.

The Ahmanson Ranch is also part of the historical range of the California condor

and the southern steelhead. It is hoped that preservation of the property will lead to reestablishment of these species on site. Other sensitive species and wildlife found on the property include the loggerhead shrike, two-striped garter snake, American Badger, southern California rufous-crowned sparrow and the yellow warbler. Fifteen species of raptors have been observed on the ranch, nine of which are considered sensitive by the State. Bats use the property for foraging, including the three sensitive listed species. Large mammals include the mountain lion, mule deer, bobcat, coyote, long-tailed weasel, raccoon and ringtail cat. The ranch also supports a full compliment of reptile, rodent and bird species.

Approval of the Ahmanson Ranch development was conditioned on the transfer to MRCA of approximately 7,316 acres of land offsite and 2,633 acres of what was once the western portion of the ranch for parkland, for a total of 9,949 acres which has been completed.

The property has been appraised and the value has been approved by the Department of General Services (DGS) at \$170,000,000.00. The purchase price as negotiated is \$150,000,000.00. The WCB will fund \$135,000,000.00 toward the purchase price, with the remaining \$15,000,000.00 funded by the SCC and the SMMC. The transaction and transfer of the property will involve two purchase agreements. The first is a purchase agreement between the MRCA and the current owners. Immediately after this transaction has been completed, the MRCA will transfer and sell the property to the SMMC. Because the transaction between the SMMC and MRCA requires the Public Works Board (PWB) approval, disbursement of WCB funds will be conditioned on approval by the PWB, scheduled to occur subsequent to WCB approval.

For management purposes, title to the property will be transferred to SMMC. Management objectives include: 1) protection of core habitat and wildlife corridors; 2) protections and restoration of sensitive and declining plant communities; 3) protection of listed and sensitive species; 4) nature education and interpretation uses, including the possible conversion of a residence on the property to a nature interpretation center; 5) protection of coastal stream watershed; and 6) public use for low impact recreation, including hiking, biking and nature-related studies.

The terms and conditions of the proposed grant require the PWB approval, as mentioned above, and provide that staff review and approve all documents pertaining to the Grantee's acquisition, including any appraisals, preliminary title reports, entitlements on the property, property and tax assessments, agreements for purchase or sale, escrow instructions and the instruments of conveyance prior to disbursement of funds.

The proposed acquisition is exempt from California Environmental Quality Act requirements under Section 15313, Class 13 as the acquisition of land for wildlife conservation purposes and under Section 15325, Class 25 as the transfer of ownership in land to preserve open space, habitat or historical resources. Subject to approval by the Board, the appropriate Notice of Exemption will be filed with the State Clearinghouse.

Staff recommends the Board approve this project as proposed; allocate \$135,000,000 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 [\$580,000.00 from Section 79572(a) and \$134,420,000.00 from Section 79572(b)] to fund the grant amount; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

4. Salton Sea Habitat Planning and Restoration Project, \$20,000,135.00
Imperial and Riverside Counties

This proposal is to consider a cooperative project with the Department of Water Resources (DWR) to develop feasibility studies and restoration options for the restoration of the Salton Sea. The sea is located in the southeast corner of California in Riverside and Imperial Counties.

The Salton Sea was created by accident nearly 100 years ago when water diversion dikes inadequately built along the Colorado River collapsed during a flood. For about a year and a half the Colorado River, flooding the channel now occupied by the New River, emptied into the ancient Salton Basin before finally being brought under control and redirected into Imperial Valley irrigation canals or down to the Gulf of Mexico. This accidental flood created what is now California's largest lake, based on surface area.

The Salton Sea is a desert lake with no outlet, with agricultural runoff from diversions from the Colorado River as its primary source of inflow. This runoff has been sufficient to maintain the sea's water level over the years. The sea's salinity has been increasing since its creation, due to concentration of salts through evaporation. Although its present salinity is about 25 percent saltier than ocean water, the sea supports a highly productive fishery and more than 400 species of resident and migratory birds. The endangered desert pupfish is the only native fish species in the sea. Introduced fish species, dominantly tilapia, Gulf croaker, orangemouth corvina and sargo, sustain an important sport fishery and provide the food base for millions of birds. The sea supports many species, including the endangered brown pelican, and significant populations of eared grebes and American white pelicans. There are more than 50 birds listed as special status species (i.e., endangered, threatened, fully protected, or species of concern) at the sea and its environs.

Unless actions are soon taken to control its salinity, the sea will, perhaps within a decade, become too saline to support its present fishery and associated avian populations. With conversion of some 98 percent of California's historical wetlands to other land uses, preservation of this remaining Pacific Flyway habitat area is of major importance. In an effort to determine the best way to restore this valuable resource, the Salton Sea Reclamation Act of 1998 was enacted, which directed the U.S. Department of Interior to complete a feasibility study of sea restoration by 2000 and to report the results to Congress. The federal study indicated that preserving the entire Salton Sea as it now exists (current salinity levels and associated fish and wildlife resources) would be infeasible, due to the

sheer volumes of water and salt that would have to be managed to save the whole sea.

Since then, State efforts have focused on evaluating alternatives for sea restoration and preservation not covered in the federal effort – alternatives for restoration and preservation at a smaller scale. Complex negotiations are currently underway associated with the Colorado River Quantification Settlement Agreement (QSA). Parties involved in this effort include Imperial Irrigation District, Coachella Valley Water District, Metropolitan Water District and the San Diego County Water Authority, as well as all interested State and federal agencies, including the Department of Fish and Game, and many non-governmental organizations. The QSA is intended to provide a mechanism for California to manage the reduction from its historical deliveries of Colorado River water to the State's basic interstate apportionment. Agricultural to urban water transfers are part of this approach and, in some instances, would result in reduction of agricultural runoff to the Salton Sea. Reductions in water supplied to the sea would result in an increase in the rate of change of the sea's salinity and could accelerate the habitat degradation of the ecosystem. One of the goals of the QSA is to improve habitat values of the sea. Funding authorized by the Board for this project will not be encumbered until the QSA is signed.

To facilitate progress in the QSA negotiations and to ensure timely preservation of the sea's unique resources, this project will provide feasibility studies to guide the restoration and permanent protection of the wildlife habitat of the Salton Sea. Specifically, the studies will evaluate pilot-scale testing of components of proposed alternatives, and would include such components as embankment design, desalination pre-treatment, aeolian erosion control and wildlife habitat design. The study and the resultant programmatic environmental impact report/statement are to be completed by March 31, 2006. The goal of the State study is to identify an approach that provides the greatest diversity and quantity of fish and wildlife resources consistent with financial feasibility. Once these studies are complete, and the preferred restoration alternatives have been identified and approved, funding available pursuant to pending legislation (including the Salton Sea Restoration Act) and other available State and federal funding will be used to begin implementation of the habitat restoration.

The 2003 Budget Act (Item 3640-301-6031) provides \$32,500,000.00 under the Colorado River Acquisition, Protection and Restoration Program. Of this, \$10,000,000 as identified in the Act, and an additional \$10,000,000 from that same source, shall be made available to the DWR for feasibility studies and related expenses to guide the restoration and permanent protection of wildlife habitat of the Salton Sea and for the reduction of impacts on the sea resulting from water transfers related to the QSA; the treatment, desalination and reuse of a portion of agricultural wastewater and runoff flowing into the sea; the maintenance of stable shorelines for recreational access; and the preparation of an adaptive management process for the long-term conservation of the fish and wildlife species of the sea.

In addition to the costs listed above, an additional \$135.00 will be required for

Department of General Services' review costs, bringing the allocation necessary for the Board's portion of the project to \$20,000,135.00. The Department of Fish Game has reviewed this proposal and recommends it for funding by the Board. These studies will provide the basis for environmental documents that will be prepared for the resultant restoration activities in the sea. The DWR will acquire any necessary permits.

Staff recommends that the Board approve this project as proposed; allocate \$20,000,135.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Prop. 50), Section 79568; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

5. Grizzly Creek Forest, Expansion 1, Humboldt County \$18,300,000.00

This is a proposal to consider the acquisition of 691± acres of land as an expansion of the Grizzly Creek Forest for the protection of old growth redwoods and mixed conifer forest along with portions of the riparian corridors of Grizzly Creek and the Van Duzen River. The property is located within the Van Duzen River drainage, about 20 miles easterly of the City of Fortuna on State Highway 36. The town of Bridgeville is located about 20 miles southeast of the project area.

Acquisition of the Grizzly Creek Forest began in 1999 pursuant to Assembly Bill 1986 as set forth in Chapter 615 of the Statutes of 1998 of the State of California to purchase designated lands within the Grizzly Creek Marbled Murrelet Conservation Area (MMCA). Consequently, the Wildlife Conservation Board approved the first acquisition in 1999 consisting of approximately 716± acres. The Department of Parks and Recreation (DPR) owns and manages the Grizzly Creek Redwoods State Park located adjacent to the subject property, and if this project is approved, the subject, along with the initial 716± acres, will be transferred to the DPR. The property will be owned and managed by State Parks.

The Department of Fish and Game (DFG) has identified this expansion as being critical to the protection of the old growth coniferous forest which is extremely important for recovery of the marbled murrelet, a federally threatened and State endangered species. The marbled murrelet is a small seabird in the alcid family found along the Pacific Coast from Alaska to California. At sea, it feeds by diving for small fish in near-shore waters, typically within 5 km of the coastline. The marbled murrelet is unique among seabirds in that it nests up to 40 km inland in old growth coniferous forests. In California, it nests almost exclusively in redwoods greater than 200 years old. The marbled murrelet is a long-lived slow-reproducing species, laying only one egg per year. Given these demographic characteristics, the vast majority of the population consists of breeding adults, whose survival is critical to sustaining the species.

The marbled murrelet's total California population is estimated at 6,450 individuals. The vast majority breed in the coastal redwoods of Del Norte and Humboldt counties. A relatively isolated population of approximately 500 birds breeds in the

Santa Cruz Mountains of central California. Acquisition of the subject property will increase the likelihood that this species will survive by maintaining current nesting opportunities that are available within the MMCA.

In addition to providing quality marbled murrelet habitat, the subject property also includes nice stands of riparian habitat along Grizzly Creek and the Van Duzen River and provides habitat for additional listed species including Cooper's hawk, northern spotted owl, coho salmon, chinook salmon and steelhead trout as well as other animals including deer, black bear, mountain lion and raccoon, just to name a few.

The DFG Office of Spill Prevention and Response (OSPR) and the U.S. Fish and Wildlife Service (USFWS) along with other natural resource trustee agencies have been assessing injuries to natural resources, including those to marbled murrelets as a result of the Kure oil spill in 1997 and the Stuyvesant oil spill in 1999. Pursuant to the federal Oil Pollution Act (OPA), its implementing regulations, and the State Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, the OSPR and the USFWS are authorized to collect damages for the injuries to marbled murrelets and to use that money to develop and implement restoration projects for marbled murrelets, after public input. One of the preferred marbled murrelet restoration projects under consideration by the OSPR, the USFWS, and the other trustees is the acquisition and protection of the subject property. However, timing is an issue. To date these cases have not been settled, nor is there a judgment to provide the funding for such an acquisition. The DFG has concluded that this parcel has the most significant unprotected habitat available for immediate protection.

Funds earmarked for marbled murrelet habitat acquisition acquired through a settlement or civil judgment can be used to replace and/or supplement funds placed in escrow by the Board to purchase the subject property. The OSPR has advised that any use of such recovered funds would be conditioned upon compliance with the OPA's requirement for "adequate public notice, opportunity for a hearing, and consideration of all public comments," prior to finalizing and implementing a restoration plan.

In addition, any settlement of the trustees' claims for natural resource damages will be set forth in a judicial consent decree, subject to public comment, before the court enters it as a judgment. Furthermore, the National Environmental Policy Act (NEPA) and the California Environmental Policy Act (CEQA) apply to the approval of the Restoration Plan, of which a project(s) to address the MMCA injury would be a component.

This proposed acquisition is exempt from California Environmental Quality Act under Section 15313 Class 13 as the acquisition of land for wildlife conservation purposes and under Section 15325 Class 25 as the transfer of ownership in land to preserve open space, habitat or historical resources. Subject to approval of the Board, the appropriate Notice of Exemption will be filed with the State

Clearinghouse.

The Department of General Services (DGS) has reviewed and approved the appraisal of the property at \$24,600,000.00. The owner has agreed to sell the property for \$18,200,000.00; consequently any value over the approved appraised value will be considered a donation to the State. It is anticipated that an additional \$100,000.00 will be needed to cover administrative expenses including appraisal and DGS' review costs, bringing the total proposed allocation for this project to \$18,300,000.00. However, as discussed above, the funding the Board may expend on the acquisition may be replaced or supplemented as described above for all or part of its acquisition costs. Any such funds received will be used for future Proposition 40 qualifying projects.

Staff recommends that the Board approve this acquisition as proposed; allocate \$18,300,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Fund (Prop. 40), Section 5096.650, for the acquisition and related expenses; authorize future replacement of funding for this acquisition pursuant to settlement or civil judgment; accept a portion of the approved appraised value as a donation from the landowner; authorize transfer of the Grizzly Creek Forest property to the Department of Parks and Recreation for inclusion into the Grizzly Creek Redwoods State Park; authorize staff to enter into agreements as necessary to carry out this acquisition as described; and authorize staff and the Department of Fish and Game to proceed substantially as planned.